

EOD JAN 22 2002

In re:) Case No. 02B02495
) Chapter 11
KLC, INC.,) Hon. _____
)
Debtor.)
)
)

In re:) Case No. 02B02499
) Chapter 11
S.F.P.R.,) Hon. _____
)
Debtor.)
)
)

**ORDER DIRECTING JOINT ADMINISTRATION
OF CASES PURSUANT TO BANKRUPTCY RULE 1015(b)**

Upon the application dated January 22, 2002 (the "Application")¹, wherein Kmart Corporation ("Kmart") and certain of its domestic subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), applied to this Court for an order, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure, directing joint administration of these cases and administratively consolidating the respective chapter 11 cases of each Debtor for procedural purposes only; the Court finds that (i) it has jurisdiction over the matters raised in the Application pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Application related hereto.

3

is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Application is in the best interests of the Debtors, their estates and their creditors; (iv) proper and adequate notice of the Motion and the hearing thereon has been given and that no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon good and sufficient cause exists for the granting of the relief as set forth herein,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED.
2. Each of the above-captioned chapter 11 cases of the Debtors be, and hereby are, jointly administered by the Court.
3. The caption of the jointly administered cases shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Case No. 02- <u>B02474</u>
)	(Jointly Administered)
KMART CORPORATION, <u>et al.</u> ,)	Chapter 11
)	Hon. <u>Sonderby</u>
)	Hearing Date: _____
Debtors.)	Hearing Time: _____
)	

4. A docket entry shall be made in each of the Debtors' cases substantially as follows:

An order has been entered in this case directing the joint administration of the chapter 11 cases of Kmart Corporation, its subsidiaries and affiliates (the "Affiliate Debtors") and the docket in case no. 02- 02474 should be consulted for all matters affecting this case.

Dated: Chicago, Illinois
January 22 2002


UNITED STATES BANKRUPTCY JUDGE